



**Headquarters:** 600 Grand Ave  
Suite 410  
Oakland, CA 94610-3561

510.663.4000 tel  
510.663.4099 fax

1127 11th St  
Suite 425  
Sacramento, CA 95814-3809

916.444.3676 tel  
916.444.7693 fax

3303 Wilshire Blvd  
Suite 415  
Los Angeles, CA 90010-1798

213.736.1770 tel  
213.736.1777 fax

To Whom It May Concern:

April 24, 2013

I am writing on behalf of the California Labor Federation's, Workforce and Economic Development Program to provide input on the April 15, 2013 draft of the Air Resources Board's *Cap-and-Trade Auction Proceeds Investment Plan*. Most specifically, I wish to comment on guidelines related to the job creation and workforce development impacts of the plan, and to reiterate several points made in our letter of March 7, 2013 on the Draft Concept Paper.

Page 34 of the Implementation Plan articulates two very important implementation principles, namely that state agencies should maximize *transparency* and *accountability* in program implementation. My concern is that while many state agencies have articulated the importance of the jobs and workforce development requirements of the Plan, it is not clear that they will be addressed in a consistent or systematic way, without the leadership of those most knowledgeable, the Labor and Workforce Development Agency.

As I stated in my letter of March 7, 2013, accountability of the use of these dollars will be important in order to avoid the shortfalls of previous green workforce initiatives. The Labor Agency is the logical lead agency to direct and manage research needed for successful implementation of workforce development investments and jobs programs, as well as data tracking and evaluation of the job impacts of cap-and-trade workforce dollars.

This includes:

- Research on labor demand and skill gaps, employer engagement, and other information needed to design successful training and education programs.
- Data tracking on the quantity and quality of jobs per dollar invested, the demographic and geographic profile of workers in these jobs, and the job placement and career outcomes (and costs) of training investments.
- Analysis of the impact on job creation of program characteristics and other dynamics in order to make annual recommendations for program refinements based on these findings.

This kind of research will enable the ARB to set explicit goals for the quantity and quality of jobs created and the demographic and geographic distribution of workers, particularly those in entry-level jobs, where projections can often be overstated and underfunded.

This research would also have important impacts on the quality of the jobs created. As noted in our March 7<sup>th</sup> letter, energy efficiency and clean energy investments produce good jobs and maximize the return on their investment when there are clear skill certifications for workers and performance standards for participating contractors.

These standards are also the key to insure that high quality work is performed and energy goals are met. Investments should explicitly include standards for participating contractors and minimum training and skill standards for workers, and specialized skill certifications should be required for key tasks. The Labor Agency, State Building and Construction Trades, and key trade associations of eligible contractors should identify these standards and certifications.

SB 535 requires at least 25 percent of the expenditures of the GHG Reduction Fund be go to projects benefitting low-income communities, and that 10 percent go to projects within disadvantaged communities. Investments should be subject to existing local hire/targeted hire agreement in order to maximize the opportunities for local residents in disadvantaged communities.

Further, such investments maximize this opportunity with the explicit linkage of training-to-jobs. Training alone does not create jobs. Training investments should only be made when there are concrete opportunities for preparing workers for actual jobs and most importantly, careers. As stated in my March 7 letter, there should be a request for proposal (RFP) process for training investments that is managed by the Labor Agency, given its workforce and training expertise, with input from the California Energy Commission (CEC), California Public Utilities Commission (CPUC) and other energy experts.

Further, Cap-and-trade investments should also be directed toward statewide and system-wide alignment of California's major training and education programs for energy-related skills and occupations.

- They should support alignment of state-certified apprenticeships programs with programs that prepare entry-level workers by funding pre-apprenticeship programs affiliated through appropriate documentation, such as a memorandum of understanding (MOU), with a state-approved apprenticeship program(s). These include pre-apprenticeship partnerships in community colleges, high schools, Youth Build, Conservation Corps, and similar established organizations. Funding for this pre-apprenticeship training should be carefully calibrated to estimates of demand for new apprentices.
- They should support incorporation of energy related skills in high performing state-registered apprenticeship programs, both through apprentice training and journey-upgrade training, in collaboration with the community colleges and adult education. This should include the incorporation of health and safety training on the specific risks in this sector.

- They should support high quality high school partnership academy, linked-learning pathway, and concurrent enrollment programs that demonstrate articulation with community college career technical education (CTE) programs that lead to jobs related to energy efficiency and clean energy.
- They should encourage partnerships among community colleges, adult education providers, local workforce investment boards, state approved apprenticeship programs, and other public programs to leverage multiple resources.
- They should encourage coordination and co-funding with other sources of workforce training in occupations relevant to energy efficiency and clean energy, including the CEC's Energy Program Investment Charge (EPIC) funding and the investor-owned utility (IOU) ratepayer funds for workforce education and training.

As California transitions to cleaner sources of energy, workers in carbon-intensive industries, and those in sectors dependent on these industries, may be at higher risk of losing their jobs. But if workers do lose their jobs, some are likely to face severe economic hardship. This is true because carbon-intensive industries have a high concentration of well-paying unionized manufacturing jobs, tend to be staffed by an aging workforce, and may be the best employer in their local area, all of which present challenges for finding comparable work for displaced workers. We experienced this in the timber industry previously as one example.

The California Labor Federation has a history of working successfully with the Labor Agency in transition assistance programs, including the Trade Adjustment Assistance (TAA) program passed as part of the Trade Expansion Act of 1962. While the specifics of the program have fluctuated over the years, the primary goal is to assist workers in finding jobs with relatively equal pay and benefits by providing services such as income support, retraining and relocation support. It is my recommendation therefore, that the State, via the Labor and Workforce Development Agency, look to help adversely-impacted incumbent workers transition to new, equivalent work and provide a bridge to retirement for a limited number of older workers, when retraining and finding a new job may not be viable. The California Labor Federation would like to be a part of that effort as well.

Thank you for your consideration of my comments. I can be reached at (510) 663-4028 or [jbrauer@calaborfed.org](mailto:jbrauer@calaborfed.org).

Sincerely,



John Brauer  
Program Director,  
Workforce & Economic Development  
California Labor Federation